REMARKS/ARGUMENTS

Favorable reconsideration of this application, as presently amended, is respectfully requested.

Claims 1-3, 9, 13, 14, 16, and 18 are pending in this application. Claims 4-8, 10-12, 15, and 17 have been canceled without prejudice or disclaimer. Claim 9 has been rewritten in independent form. Independent Claims 1, 16, and 18 and dependent Claims 2 and 3 have been amended to better describe that the editing of concern as to the subject matter of these claims includes changing an index indicating a position of one of the image sections from the first code stream and outputting the second code stream with the one of the image sections from the first image stream having the changed index. See the specification at page 16, lines 5-15 and Page 17, line 17-page 18, line 3, for example. Claims 14 and 18 have also been amended to overcome formal rejections. Clearly, the claim amendments do not introduce any new matter.

The outstanding Office Action presents an objection to the abstract requiring it to be only one paragraph, a rejection of Claims 17 and 18 under 35 U.S.C. §101, a rejection of Claims 14 and 15 under the second paragraph of 35 U.S.C. §112, and a rejection of Claims 1-8 and 10-18 as being anticipated by Schwartz et al. (U.S. Patent No. 6,898,323, Schwartz) under 35 U.S.C. § 102(e).

Applicants acknowledge with gratitude the indication that Claim 9 would be considered to be allowable if rewritten in independent form to include all the limitations of parent Claim 1 and intermediate Claims 4 and 8. As Claim 9 has been rewritten as indicated, allowance of Claim 9 is respectfully requested.

The objection to the abstract requiring it to be only one paragraph is believed to be overcome by the present amendment that amends the Abstract to be only one paragraph.

Accordingly, withdrawal of this objection is respectfully requested.

The rejection of Claim 17 under 35 U.S.C. §101 and that of Claim 15 under the second paragraph of 35 U.S.C. §112 are both believed to be moot as these claims have been canceled.

The rejection of Claim 18 under 35 U.S.C. §101 is believed to be overcome by the present amendment that incorporates the suggested language in the outstanding Action that was indicated to be sufficient to satisfy 35 U.S.C. §101. Accordingly, withdrawal of this rejection is respectfully requested

The rejection of Claim 14 under the second paragraph of 35 U.S.C. §112 is believed to be overcome by the present amendment that eliminates the objected to reference to "JPEG2000" and incorporates the subject matter of canceled Claim 15. Accordingly, withdrawal of this rejection is respectfully requested.

Turning to the rejection of Claims 1-8 and 10-18 as being anticipated by <u>Schwartz</u> under 35 U.S.C. § 102(e), this rejection is respectfully submitted to be moot as to canceled Claims 4-8, 10-12, 15, and 17.

With further regard to independent Claims 1, 16, and 18, and Claims 2 and 3 that depend from Claim 1, these claims have been amended to better describe that the editing of concern as to the subject matter of these claims includes changing an index indicating a position of one of the image sections from the first code stream and outputting the second code stream with the one of the image sections from the first image stream having the changed index.

On the other hand, the editing unit taught by <u>Schwartz</u> requires decoding at least the code section being edited, see col. 17 lines 40-42 ("[o]nce decoding has been completed,

processing logic performs the desired edits.") and includes no teaching or suggestion of the editing of concern as to the subject matter of these claims that includes changing an index indicating a position of one of the image sections from the first code stream and outputting the second code stream with the one of the image sections from the first image stream having the changed index. While col. 17, line 65 to col. 18, line 22 of Schwartz discuss editing variations, these variations still do not teach or suggest the claimed changing an index indicating a position of one of the image sections from the first code stream and outputting the second code stream with the one of the image sections from the first image stream having the changed index.

Accordingly, as <u>Schwartz</u> does not teach or suggest the subject matter of these claims, <u>Schwartz</u> cannot be said to anticipate the subject matter of independent Claims 1, 16, and 18 or dependent Claims 2 and 3, and withdrawal of the improper rejection of these claims as being anticipated by <u>Schwartz</u> under 35 U.S.C. § 102(e) is respectfully requested.

In addition, as Claims 13 and 14 depend directly from independent Claim 1, they incorporate all the limitations of this parent claim. Therefore, Schwartz cannot be said to anticipate the subject matter of dependent Claims 13 and 14 for the reasons noted above as to this parent claim and withdrawal of the improper rejection of dependent Claims 13 and 14 as being anticipated by Schwartz under 35 U.S.C. § 102(e) is respectfully requested. In addition, as dependent Claims 13 and 14 add further features to those recited by Claim 1 and Schwartz also does not teach or suggest these further features, withdrawal of the improper rejection of dependent Claims 13 and 14 as being anticipated by Schwartz under 35 U.S.C. § 102(e) is respectfully requested for this reason as well.

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As no further issues are believed to remain outstanding in the present application, it is believed that this application is clearly in condition for formal allowance and an early and favorable action to that effect is, therefore, respectfully requested.

Respectfully submitted,

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